

Report of Inquiry

Into the locally determined aspects of the system of Payment and Earnings Opportunities of Registered Dock Workers in the Port of Liverpool (including Birkenhead)

> By Mr. A. J. Scamp, D.L., J.P.



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I INTRODUCTION

On 10th October, 1967 you appointed me to conduct an inquiry with the following terms of reference:-

"To inquire into the locally determined aspects of the system of payment and earnings opportunities of registered dock workers in the port of Liverpool (including Birkenhead) and to make recommendations ".

2. I heard oral evidence in Liverpool on 16th, 17th and 18th October and considered the written evidence which had been submitted. Oral evidence was given by representatives of the Employers' Association of the Port of Liverpool; by national and local officials of the Transport and General Workers' Union (which I refer to as the T.G.W.U.); by representatives of the (unofficial) Mersevside Joint Strike Committee; by representatives of the local crane drivers' branch of the T.G.W.U.; by representatives of the National Amalgamated Stevedores and Dockers' Union (Merseyside Area). which I refer to as the N.A.S.D.; and by a number of other interested parties (including individual dock workers) and independent persons. I also met and talked to the local District Committee of the T.G.W.U. Those who appeared before me and/or submitted written evidence are listed in the Appendix.

3. In the paragraphs which follow I discuss the Mersevside pay structure before 18th September, when the fully decasualised system of working provided for by the Dock Workers (Regulation of Employment) (Amendment) Order 1967 came into force; developments before and after that date; and the need for a review of the incentive pay system.

4. A number of matters were raised in the course of the inquiry which fell outside my terms of reference (see para. 21). Some of these (e.g. crane drivers' pay) are nevertheless touched on in paragraphs 21-23 below; certain others (e.g. the wish of some "staff" crane drivers to change their status to that of weekly workers) I shall bring separately to the attention of the employers and the T.G.W.U.

II. THE MERSEYSIDE PAY STRUCTURE

- 5. The docker's* pay packet is made up from a number of payments, some of which are governed by agreements reached by the National Joint Council for the Port Transport Industry, and some by agreements reached by the Dock Labour Joint Committee (i.e. locally).
 - (a) Pay matters nationally agreed include: --
 - The standard time rate (now 5s. 6¹d. per hour). (ii) Whether piecework rates should be increased, and if so by how
 - much, when the standard time rate is increased * Here and elsewhere, by "docker" I mean a registered daily dock worker. Weekly

workers, who on Merseyside are very largely supervisory or specialist grades, are in a different position. 855928

- (iii) The guaranteed fall-back (£11 per week immediately before 18th September; £15 per week in Liverpool since 18th September).
- (iv) Attendance money. Until 18th September this was payable by the National Dock Labour Board at the rate of 9s, per half-day to men available for work but not allocated to an employer. Since that date, under the new arrangements men are allocated on a permanent basis to a particular employer, and are entitled to the time rate when work for any period is not available. (v) Pensions.

 - (vi) Sick pay scheme (applicable since 18th September). (vii) Various other matters, including the rate of pay for holiday periods.
- travel time, and so on. (b) Pay matters locally agreed include: -
 - (i) Overtime rates after daywork periods.
 - (ii) Nightwork and weekend overtime rates.
 - (iii) Incentive schemes (or substitutes, in a number of cases where an incentive scheme is evidently inapplicable or undesirable, e.g. for stitchers and checkers respectively), and manning scales.
 - (iv) Standard extra payments for skill, or for unpleasantness or difficulty. known as occupational and commodity differentials respectively. (v) Awards resulting from inspections of cases of exceptional circum-
- stances. These are carried out by a joint committee of inspection comprising an employers' association representative (two inspectors are engaged full time on this work) and a union official. They number about 1,100 a year, overwhelmingly on discharging ships,
- (vi) Ad hoc additions to piecework rates for wholly exceptional commodities not otherwise provided for.

There are two main local agreements on Mersevside which govern all the above payments; "deep sea" and "coastwise".

Mersevside incentive schemes

6. There are two incentive payment schemes on Merseyside-one for discharging and delivery operations and one for loading operations. In each case the basic rate is the time rate and the "incentive" payments carned are added to this.

7. Discharge and delivery. Until 1965-66 a conventional piecework system operated on Mersevside for discharge and delivery, payments per man per ton being made on a long list of import commodities, with a minimum payment of the time rate. Each day was treated separately, and gangs paid for their output at the appropriate piece rate or at the time rate, whichever was the greater. But in June, 1965 (in respect of delivery) and May. 1966 (in respect of discharge), these schemes were altered, following requests from the union, to a bonus system. Under this, men receive the appropriate time rate, plus a payment per ton, which was in fact agreed at the rate of one-third of the commodity rate under the former piecework schedule. However, an additional "booster" incentive was built into the new system by increasing the tonnage payment to one-half of the former

- commodity rate (i.e. 50 per cent. above the first rate of bonus) for all tomage handled in excess of that required to produce a bonus of 2s. 6d. per hour (known as the "threshold"). Payment continued to be made on a gang/day basis.
- Loading. Morseyside's leading incentive system is unusual. It was introduced in about 1942, under war-time pressures. Its essential features are:—
 - (i) It is "ship co-operative", which means that payment is made to all the men who work on a particular ship at the same rate (proportionate to the hours they work) on the input over the whole ship, and is accertained only on completion of loading.
 - (ii) All tonnages are "deadweight tons".
 - (iii) A rate per ton is paid with a minimum of the time rate. The input at which the tonnage payment is exactly equal to the time rate is conventionally called the "datum line"; men start to earn "picework excess" when their input exceeds this figure.
 - (iv) Provision is made for exceptional commodities to be artificially reduced or enhanced in the tonnage to count for piecework purposes. Very little use has been made of the facilities since the rate fixed is intended to cover a very wide range of commodities.

Practical effects of the system

- When we consider the earnings and hours of Merseyside dock workers three points stand out.
 - (e) Earnings on Mencycide are rather low. In recent years they base generally been between £2 and £3 a week lower than the national average for dock workers (though in 1966-67 the gap has narrowed, perhaps mainly because Liverpool has been a busy port). In the first hand, the second property of the property of the property of the second property of the property of the property of the 423 &6, 6d.
 - (b) This is despite the fact that long hours and substantial overtime are worked on Meneyside and that overtime rate are high. The employers informed me that during 1956 and the first half of 1957, the Meneyside docker had an average working week of about 55 hours, of which over 10 hours were overtime (including night work and weekend work). Over the longer period 1964 to mid-1957, Meneyside dockers worked on average over six hours more ownering a week that London dockers—over four hours more on weekings are the London to the contract of the contract of the contract are nover less than double time, and on Shutsiya the overtime mater are nover less than double time, and on Shutsiya the overtime mater half and the contract of the contract
 - (c) It follows from (a) and (b)—and other evidence confirms this—that earnings from incentive payments on Manesquide tend to be small. The employers informed me that no less than 90 per cent. of gangs working on discharge and delivery, and 70 per cent. of those on loading, carn on piecework less than 50 per cent. above the basis time rate. In other works, althouth incentive schemes annly to

almost all jobs*, the great majority of workers are earning under these comparatively little more than the time rate. Indeed, on loading, about 18 per cent. of gangs work at an input below the "datum line" at which the tonnage payment equals the piece rate (see paragraph 8(iii)).

10. This suggests that either the pace of work, or the incentive payments, are unrealistically low. In fact, a combination of both seems to apply. Piecework was introduced in Merseyside only about 25 years ago, after more than 100 years of dock work without it. It has never become well enough established for its attractions to outweigh those of a slower pace of work and resultar overtime earnines.

The welt

- 11. A major reason for this in the Messeyside practice of "welting". As the 1965 Devlin Report explained in its discussion of bad time-keeping (parss. 39 ft.), the welt is the practice of only half a gang working at any one time; for each half it is one hour on and one hour off to rest, smoke, have a cup of tea, etc. Inevitably this affects the pace of work and leads to an excessive need for overtime.
- 12. The 1965 Report discussed how to deal with the well. If was pointed out (para. 46) that although employers and trade unions were united in wanting to get rid of the well, it was not a thing which could be aboilished simply by an uliminatum followed by disciplinary action against those conhops that under conditions of regular employment and with prhaps the extension of pieceworking, it would become possible for firm action to be
- taken with good prospects of success.

 13. The Liverpool Joint Modernisation Committee—one of those set up in all ports, comprising employer and trade union representatives, to work out local arrangements for implementing the national directive of September 1985 on decasualisation and related masters—agreed that with the introduction of the committee of the property of the proper
- available to overy dock worker.

 14. I have no heitation in endorsing the Committee's decision. The welt is an obstacle to an efficient system of work—and to proper pay and condition to the state of t

^{*} The employers estimate that, excluding clerical workers who have a special basic rate, less than 5 per cent. of jobs on Messeysids have no piecework or bonus rate fixed, and in almost all of these a supplement in excess of timework is agreed. † Cmnd. 2734.

- 15. But its disappearance will, of courte, affect the pay packet and carruing opportunities. The evidence I received confirmed that ending the well should increase productivity on Merseyaide substantially. It is impossible to calculate with any accuracy the consequences for house worked and overtime. Overtime is often necessary in a port for operational reasons, irrescence of the contract of
- 16. This is not to say—nor would I agree—that the elimination of the wit should not have been agreed at this stage. But it does underline the need for radical improvement in the incentive payment system on Meresyside on as to enable dock workers to shout an air reward for higher productivity and in this way to repair any toss of earnings—while all enjoying the being.

III NEGOTIATIONS BEFORE 18TH SEPTEMBER

- 17. Both employers and mion are well source of the need for change. The To-MUL, Desined out that they had made application to the employer for payment for loading on a day by day basis (unstand of the present "nitp cooperative") hasil-nee para. 8(1) on 1st December, 1965, and that at a joint meeting on 6th March, 1967, they appealed for urgent consideration of the union's application in respect of pleeowork payment at loading vessels. But throughout the year both sides were under intense pressure by reason of the complex aspectations over decardansistion. The employers, moreover, were keenly conscious of the difficulties of revising the system fundamentally in advance of the end of the well, and of the view grayered in the 1954 Report (para. 32), in a national context, that revision of the wage attentive more manufactured for the scone disagree pather than one to be dealt with
- 18. On 30th August the employees made as offer of an entirely new bonus yetten no leading. Under this, bonus would be extract on a sliding scale according to the number of "bonus tens" loaded per gang hour, still on a society of the number of "bonus tens" loaded per gang hour, still on a society of the number of "bonus tens" loaded per gang hour, still on a society of the number of the nu
- 19. D-day for decasualisation—18th September—arrived in an atmosphere of suspicion and distrust among a wide section of Merseyside dockers. As the 1965 Report described (paras. 212-225), the history of relations there

between T.G.W.U. officials and members has been unfortunate in recent past years; and the magnitude of negotiations over decasaulisation had meant that the full printed version of the new rule book, which was to come into effect on 18th September, was not in dockers' hands before that date to though information about the agreements reached had been made available earlier on a piecemeal basis).

20. It is against this background that, when D-day arrived, despite the fact that the negotiations described in paragraph 18 were still in progress, there broke out on Merseyide an unofficial strike which was generally supported by the dock workers and rapidly brought the port to a virtual standsfull. This was led by an unofficial strike Committee which included Merceyide Area (among them the deliminant of the latter body, who was also chairman of the harter body, who was also chairman of the britte of the progress of the strike of the str

 A minimum bonus payment of 50 per cent. of the hourly rate for loading operations;

(2) A 100 per cent. increase in all discharging rates, with a minimum payment of not less than 50 per cent. of the hourly rate, including delivering and receiving.
(3) Parity with London on the weekly guaranteed payment, sick pay and

payment to checkers.

(4) Clarification of the new continuity rule.

(5) A return to the rules and conditions laid down in the old rule book prior to 18th September, and the complete rejection of the new rule book.

(6) No redundancy.

21. Appeals by T.G.W.I. officials to the strikers to remuse work were not accessful. It was against this background that I began my inquiry. Several of the questions in dispute lay outside my terms of reference. In the circumstance, however, I flowplift right to be real those who wished to give ovidence. During the hearings I formed the impression that it might be possible to help the enabloyers and the T.G.W.II. to reach a understanding which would enable the latter to persuade those on strike to returne word. I therefore held exparted discussed with the enabloyers and the T.G.W.II. to reach a discussed of the property of the property of the control of the property of the p

(a) For a temporary period of three months men at work on loading or on discharge or delivery who, though giving a reasonable effort, are unable to earn 2a, an hour pictorwork or bounts through cities work that the property of the contract of the contraction of pictors work earnings made up to that loved. During the contraction of period the whole range of carnings competitions and the pictorwork structure would be fully reviewed with a view to increasing earnings and productivity.

The N.A.S.D. are not recognised on Merseyside nor represented in the joint negotiating machinery there.

- (b) The employers would undertake to provide adequate protective clothing where required.
- (c) From the date of the resumption of work, payment of men off work due to sickness would be at the rate of £6 per week irrespective of any benefit received from the Ministry of Social Security.
- (d) Immediately following a resumption of work the employers and the union would negotiate a full clarification of the continuity rule.
- (e) It was further agreed that immediately following a resumption of work negotiations would take place between the employers and the union and the following items would rank for priority consideration:—
 - An improved scheme of payment for checkers.
 - (ii) An improved scheme of payment for crane-drivers.
 - (On both the above claims the union would press for any agreement to be dated from the commencement of negotiations.)

 (iii) Revision of the rule book.
- (f) The principle of no redundancy arising from decasualisation was reaffirmed.

22. I think this provides an acceptable basis for a return to work, and it is a matter of great personal regret to me that at the time of writing the men on strike have not agreed to this. I earnestly hope they will change their minds before still more damage is done to the fruur of the port of

Liverpool, which concerns employers, union and dock workers alike, and to the national interest.

23. A resumption of work on this basis would have the following

advantages:—

(a) The make-up provisions for piecework and bonus earnings would

- solve in the short term the difficulties arising from the possibility of a fall in overtime earnings (see para. 15 above).
 - (b) The dispute over sick pay would be resolved by the grant of parity with London.

I ought to refer here also to the Strike Committee's claim for parity with London over the weekly wage—Le for a weekly guaratee on Menseyside of £16 (or of £17 if this should be granted in London) instead of £15. I do not think I can support this claim. Its acceptance would not be a matter of concern only to Liverpool and London; it would inswitchly laws reprecusions in every office and London; it would inswitchly laws reprecusions in every other than the commendations of the 1966 Devlin Report were accepted by the two sides of the industry and by the Government.

(c) Negotiations could begin immediately on two particular pay questions which were raised several times during my inquiry.
 (i) Crane-drivers' pay. Representatives of the crane-drivers'

(i) Crane-drivers' pay. Representatives of the crane-drivers' branch of the T.G.W.U. on Merseyside told me that when the modernisation payments come into force their members will be

- on a basic weekly wage of £15 fm. 8d.—only 6s. 8d. more than the condinary docker's quantaneed weekly wage, compared with the crane-drivers' differential of £1 5s. 6d. a week before 18th September. They added that their members had contained at work on 18th September (though most week could perform ordinary dockers' work in the circumstances) but that they would expect early satisfaction of their claim. I was impressed by the clarity and force of their arguments. Clearly, however, this is a matter and force of their arguments. Generally, however, this is a matter as are both sides realise the need to deal with this matter urgently as soon as a resumption of work makes this possible.
- (ii) Checkert pop. The complaint was made that although denespids checker's pay was raised by 5s. a day as from 9th October, their rates were still unreasonably far below those of ship elecks in Lordon. The employers, however, below pointing duties were fundamentally different and justified a higher rate. This is again a matter best dealt with through the normal negonating channels. If may be that negotiations would be expedited if the two sides commissioned an objective "job description" of
- (d) Perhaps the most important advantage would be the agreement that during the next three months there should be a full review of earnings opportunities and the piecework structure on Merseyside, with a view to increasing earnings and productivity.

IV. NEED FOR REVIEW OF INCENTIVE PAYMENT SYSTEM

24. A thorough review of the incomive payment system on Menoysids is essential. For the reasons et out in para. 9, the old arrangements cannot be regarded as satisfactory. Moreover, if make-up provisions are introduced on a temporary basis (see para. 2(di) and are not soon sweety up into a revised system, they will end to have a distincentive effect on workers who may feet they have little chance of earning significantly more than 22 an an hour bonus—or even that much—and who know that their earnings will be made up to that level arraway.

25. The review will be a difficult and complicated piece of work. But the ned is pressing and I think it is right that a target of three months should be set for its completion. If it is treated with due suggested and adequate resources are allocated to it, this should not be impossible. Those discussions are allocated to it, this should not be impossible of the contract of th

- 26. The review should aim to establish an incentive payment system which in due course will fulfil the following objectives:—
 - (a) Men on piecework should, with reasonable effort, have a fair expectation of earning at least 50 per cent. more than the time rate.
 - rate.

 (b) Overtime should as far as possible be reduced from a continual necessity to an occasional requirement at peak periods or for pressing operational reasons. The object should be to handle at least as much cargo in the 8 hours of the normal working day as in
 - the 10 hours often worked at present.

 (c) In order to achieve (a) and (b) it may be necessary to aim in the longer term at reducing the excess of overtime premia above time rates—e.g. at an ordinary overtime rate 50 per cent. higher than the time rate instead of 100 per cent. higher as at present.
 - (d) Every effort must be made to ensure that the system gives equal reward for equal effort and that men do not find their efforts frustrated or their earning opportunities adversely affected by circumstances outside their control, but rather that the pay system gives them full encouragement to increase earnings and productivity.
- 27. I shall not attempt to lay down what precise system should be selected. That would demand far more detailed study, and discussion with the interested parties, than it would be proper for me to undertake as part of this inquiry; and three months' experience of how the decasualisation agreements work in practice on Merseyside may well shed light on the question. Nor can it be decided at this stage how the necessary changes should be put into effect. It may be that the objectives could be achieved by stepping up substantially the incentive effects of the present schemes (perhaps adding, in the case of loading, some provision for taking account of the measurement as well as the deadweight of cargoes). On the other hand, it may turn out that a completely new piecework system is needed. These are matters to be considered in the course of the review. But there is one general point I must emphasise. It will be imperative to ensure that the changes to be made, whatever they may be, are understood by the dock workers generally and acceptable to them. Any failure-or even an apparent failure-to do this is liable to arouse fears and suspicions which could be fatal. And it must be remembered that Liverpool has never really been a pieceworking port; innovations which would be accepted without difficulty elsewhere may be thought far from straightforward on Merseyside.
- 28. There are two particular points which were raised with me and which will require attention in the review.
 - (a) The ship co-operative system of loading (see para. 8(j)). It was pointed out that this has the disadvantage, from an incentive point of view, that tunt the loading is insided—while often takes several extensive the state of view, that tunt the loading is insided—while often takes several extensive the state of the state of the load o

cago which is loaded first) and that it would involve an increase in the number of checkers which might raise the port's costs by 1s. 6d. a ton handled. Clearly this is a difficult point which cannot examily be decided in advance of the other matters which will present distantification with the payment scheme for loading would at least be leasened if it was adjusted on so to take account of the measurement as well as the deadweight tonnage of cargo (see para. 18 above.)

(a) Detention time. My attention was drawn to the difficulties which can arise when work is interrupted because of but weather, lack of transport, breakdown of machinery, etc. I found there was dissattifaction in the port with some aspects of the present local arrangements governing these breaks. Moreover, if and when a system giving more positive incentives is introduced, such interruptions of carriage opportunities are likely to be much more kendy that the contract of the contract of

V. CONCLUSIONS

29. My recommendations can be summarised very briefly:-

(a) Those on strike should accept the basis for a resumption of work described in para. 21.
(b) Immediately on resumption, there should be instituted a full review

(with professional assistance) of the incentive pay system on Merseyside, with the objectives set out in para. 26.

30. I would add this. This strike will inevitably have a serious effect on the future made of the ports. Evidence was given to me which indicate that track has already been lost during the stoppage and that some of it is unlikely to return. I would stress therefore the need for tolerance, nursul trust and good will on letter-management, and tunion officials, the new shop of the stress of

31. I wish to record my appreciation of the excellent work of Mr. R. S. Allison, my Secretary, and Mr. A. D. Pugh, my Assistant Secretary, throughout this inquire.

A. J. SCAMP.

R. S. Allison (Secretary).

A. D. Pugh (Assistant Secretary).

26th October, 1967.

APPENDIX

- 1. List of those who gave oral evidence Representing the Employers' Association of the Port of Liverpool
 - Mr. J. L. Alexander, Chairman,
 - Mr. J. R. Loggate, Deputy Chairman.
 - Mr. J. E. L. Bufton, Secretary.
 - Mr. C. B. Lunt, Assistant Secretary. Mr. H. J. Bowers, Chairman, Dock Labour Joint Committee.
 - Representing the Transport and General Workers' Union Mr. J. L. Jones, Assistant Executive Secretary.
 - Mr. T. O'Leary, National Secretary, Docks Section.
 - Mr. T. Cronin, Docks Divisional Officer (London). Mr. J. E. Lloyd, Docks District Secretary, Liverpool and Birkenhead,
 - Mr. T. J. Murphy, Assistant Docks District Secretary, Liverpool and Birkenhead. The T.G.W.U. Liverpool and Birkenhead District Committee were also
 - Representing the T.G.W.U. 12/61 Branch. Crane-drivers' Section
- present during part of the hearings. Mr. R. G. Roberts. Acting Chairman
 - Mr. J. Coulter, District Committee member. Mr. P. J. Curtis, Secretary,
 - Mr. W. J. Green.
 - Mr. B. Buchanan.

Mr. R. J. Pattie.

- Representing the Merseyside Joint Strike Committee
 - Mr. J. Benbow, Chairman. Mr. P. O'Dougherty, Secretary,
 - Mr. F. Deegan, Treasurer,
 - Mr. T. Symes, Press Relations Officer.
 - Mr. W. Butler, Assistant Treasurer.
 - Mr. J. Collins.
 - Mr. D. Kelly. Mr. J. P. Londra.
 - Mr. W. Murphy.
 - Mr. D. O'Connor.
- Mr F Richards Representing the National Amalgamated Stevedores and Dockers' Union (Mersey-
- side Area) Mr. J. Benbow, Chairman.
- Mr. A. Baldwin.
 - Mr. W. Butler. Mr. W. Murphy.
 - Mr. F. O'Brien.
- Representing the Fruit Importers' Association (Liverpool) Ltd. Mr. W. R. Briscon
 - Mr. H. O. Holt Mr. E. G. Howells.
- Mr. G. W. Jones. Printed image digitised by the University of Southernaton Library Digitisation Unit

Others

Othe

Councillor J. J. Hastings. Mr. A. J. Eccles, Industrial Fellow, Manchester Business School.

Mr. W. Kearns, retired dock worker. Mr. C. Burnell, retired dock worker.

Mr. V. Lilley, dock worker. Mr. Roberts, dock worker.

Mr. A. L. Grayson, dock worker.

 List of those who submitted written evidence only Mersey Docks and Harbour Board. Mr. A. E. Aylward.

Mr. J. Walker.

Mr. A. Fegan.

Mr. D. Fagan.

